GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2989
ANSWERED ON:07.12.2001
CORPORATISATION OF STOCK EXCHANGES
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Will the Minister of FINANCE be pleased to state:

(a) whether SEBI has taken any decision to corporatisation of stock exchanges;

(b) if so, the details thereof;

(c) whether the Government propose to amend the pricing norms for open offers for Public Sector Undertakings; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (b): With a view to improving institutional mechanisms and trading practices in the stock markets, Government proposes to demutualise all stock exchanges, by which ownership, management and trading membership would be segregated from each other. This would help towards :

-• further professionalisation of the management of the exchanges and elimination of conflict of interests;

-• improving adherence to the best practices of Corporate Governance;

-• enhancing the ability of stock exchanges to raise funds from the market to modernise the exchanges and provide better investor service.

Government and the Securities and Exchange Board of India (SEBI) have initiated action in this regard.

(c) & (d) : SEBI has intimated that the Department ofDisinvestment has requested SEBI to modify theexisting pricing norms for open offers for public sector undertakings, which is under examination of SEBI.